BY JAMES E. COLVARD

'Organizations Exist to do Work, Not Classify Work'

In its May 1988 report on the pay experiments at the China Lake Naval Weapons Center and the San Diego Naval Ocean Systems Center, both in California, the General Accounting Office concludes that the experiment produced "a simpler, less burdensome, and less time-consuming position classification process. Further, it showed that a new personnel system with closer linkages between performance and pay could be implemented to the general satisfaction of many employees." The report then goes on to express reservations about endorsing expansions of the pay project on a large scale, at the same time that GAO managers have decided to move GAO itself toward a pay-for-performance system similar to the China Lake experiment.

This anomaly could be viewed as the ultimate contradiction in logic. Or it could be simply a reflection of the fact that the people who performed the GAO study were not the same as those who decided to apply the system within the organization. It is regrettable that the report-writing people in GAO took such a weak-kneed position on further expansion of a program that in their own words produced a "simpler, less burdensome system." It is laudable that the decision-management side of GAO sees fit to move to pay-for-performance and a simpler, less burdensome system.

Regret flows from the fact that social experimentation takes a long time and often spans administrations. In this case, an experiment was started under the Carter Administration, completed and evaluated under the Reagan Administration and apparently must await major implementation under the next administration. The recognition that the system is simpler and can be made to work to the satisfaction of most of the people suggests that other agencies should be allowed to use it on a voluntary basis while other experimentation—such as the Pacer Share experiments being conducted by the Air Force to look at pay for collective performance—are being carried out. If an even better approach is developed, it can then be used by agencies, but in the meantime they have the advantage of a system already proven better. If one waits for the perfect system before making changes in the outdated one, the wait will be a long one.

But whether one comes down on the side of caution or of proceeding with deliberate dispatch, it is my opinion that most analyses of the China Lake experiment fail to fully appreciate its significance. Most reviewers see it as a way to simplify job classification and to improve the distribution of pay so that the more deserving people get more money than those who perform less well. China Lake achieves both of these goals, but it fundamentally does much more.

The China Lake experiment gets at the problem of relating work force to workload in a way that affects work execution. It creates a description of work level that is more closely related to cognitive skill demands rather than to the particulars of the tasks being executed.

This is consistent with research in the field, particularly the work of Elliot Jaques over 20 years, recently described in "The Development of Intellectual Capability: A Discussion of Stratified Systems Theory," *Journal of Applied Behavioral Science,* Vol. 22, #4, 1986. Jaques' research, which has been tested extensively in practical applications, shows that humans progress through levels of cognitive capability which can be made consistent with levels of work complexity in organizations. When employees' assignments are matched to their capability levels, work is performed well and enjoyed. When there is a mismatch, work is either not done well or not enjoyed or both. The research further shows that the maximum number of meaningfully different levels of work complexity and cognitive skills is seven, and that the work of most organizations can be divided into four of five levels. The five-band system at China Lake and San Diego, covering entry level, journeyman, full performer, expert and supervisory levels, is consistent with professor Jaques' research.

Existing classification systems, such as the federal classification system, tend to be designed to meet administrative needs. For example, the 15-grade, 10-step federal system was designed to allow reasonable financial incentive between promotions and within-grade raises over the 30-year career envisioned for federal employees. It in no way makes sense to assume that there are sufficiently different levels of work within an organization to match the 15 grades plus supergrades (now SES), even assuming that the first four grades are seldom used in professional series. The levels and titles of this system have no relationship to real work accomplishment.

The result is that managers spend much of their time thinking up ways to describe work that will allow them to reward their people more fairly, rather than spending that time concentrating on the work at hand. Organizations exist to do work, not classify work, and the China Lake experiment shows that a simpler system will allow the line manager to spend more time on work execution. That is the genius of China Lake, one of the most important social experiments ever undertaken relating to work.

The federal pay problem is a political problem that must be solved by the political process. All organizations in this country should look at the results of the China Lake experiment, along with other related research such as that of Elliott Jaques, as offering new insight into the organization of work and work forces for optimum utilization. At a time when we are talking so much about international competitiveness, it is especially important that we better understand work, its complexity and its relationship to workers' capabilities, in order to make employment systems more efficient. What better place to set the example than in the federal workplace? The genius of the China Lake experiment must not be lost, but rather expanded to improve the performance of the federal work force by giving employees a system that supports productivity, rather than frustrating it. □

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